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INTERNATIONAL PROPERTY RIGHTS INDEX 2021

TAXATION ON IMMOVABLE PROPERTY IN ITALY.
THE COST BEHIND WEALTH, HOW TAXES IMPACT THE RIGHT OF PROPERTY

CASE STUDY BY: ISTITUTO MERCATUS, ITALY

PROF. MARCO ALLENA
Author

PROF. BRUNO FERRONI
Author
INTRODUCTION

Real assets (real estate, businesses, valuables) account for most of the wealth of Italian households. Taxation of wealth, in particular of real estate, has been the subject of wide-ranging debate at the European level. Structural reforms must be adopted to revive the economy and tackle social and economic consequences of the crisis. As said, real estate constitutes a significant part of national wealth. For example, at the end of 2017, the net wealth of Italian households amounted to 9.743 billion euros: eight times their disposable income. Housing was the main form of household investment and, at 5.246 billion euros, a lower amount relative to income than in other countries. Financial assets reached 4.374 billion euros, up from the previous year, but as a share of net wealth they were lower than in other economies.

In 2018, the number of real estate units in Italy was approximately 65 million (real estate only), of which 57.9 million were owned by private individuals (PF – Persone Fisiche) and 7.2 million not by private individuals (PNF – Persone Non Fisiche).

Regarding the property of PF, a distinction can be made based on use. These data are derived from tax declaration, in which taxpayers indicate the use they make of a property, whether it is a dwelling or a rental property.

Based on taxpayer’s declaration, the immovable properties are distinguished by using (i) main dwellings and their appurtenances; (ii) real estate (dwellings, shops, offices, etc.) available, i.e., neither rented nor used continuously; and (iii) rented real estate.

The table below represents the number of real estate units distinguished by use referring to the PF property, based on tax declaration data available.
The declarations do not contain any useful information on how PNFs use property they own. In fact, out of the 7.2 million real estate units that make up PNF’s assets, in the case of almost 6 million (approximately 80%), it is not possible to examine the uses to which they have been put.

Real estate stock registered in the Italian land register archives – as of 31 December 2019 - consist of a total of approximately 74.4 million properties or portions thereof.

Approximately 65 million are registered in the “ordinary” and “special” cadastral categories, with attribution of cadastral annuity (total cadastral income of 36.7 billion euros), as analysed above.

More than 6.7 million properties make up non-designated common goods, “beni comuni non censibili” (i.e., assets of common use to several real estate units, which do not produce their own income).

Approximately 3.5 million properties are registered in the cadastral categories of group F, as units not capable of producing an income (urban areas, housing estates, etc.) or income-generating units (urban areas, solar terraces, units under construction or in the process of being defined, collaborating units).

Most Italian real estate stock is registered in group A (dwellings, private offices - 52%) and group C (commercial activities, shops, restaurants and appurtenances – 40.1%).

Properties in groups A, B and C account for 69.8% of the total cadastral income (26.6 billion euros). Group D properties (special purpose properties – hotels, theatres, hospitals, buildings for commercial activities), with a limited number of real estate units (2.3% of the total), represent a significant amount of real estate income (approximately 10.3 billion euros). Properties in group E (special purpose - stations, bridges, constructions for public purposes) account for 2.1% of the total cadastral income (approximately 8 billion euros) of the total.

LITERATURE REVIEW

“At every juncture in the history of economics and law, immovable property has played a central role, which still remains. This is because property coincides with the concept of belonging and therefore of ownership, of wealth and heritage”.

“Real estate is an industrial sector with the potential to act as a catalyst for economic growth and employment. More broadly, it is a suitable vehicle for the sustainable redevelopment and securing of public and private real estate, which does not only include housing”.

METHODOLOGY AND SCOPE

The present case study aims to investigate the impact of taxation on immovable property on both private individuals (PF – Persone Fisiche) and persons other than private individuals (PNF – Persone Non Fisiche), focused on the first, which owns approximately 89% of the immovable property in Italy.

It was conducted on the basis of current income tax and indirect taxation regulations taking into account tax benefits granted for immovable property.

Information was collected through exhaustive bibliographic research of official documents, academic literature and press. In addition, statistical results published by the Italian Tax Authority, such as the reports of the Revenue Agency and the data available on the OECD website, were taken into account. Moreover, with reference to abroad legislation, data were collected on official tax authority websites and the European Commission website.
DISCUSSION AND CASE ANALYSIS

About dwellings in Italy, 93% of dwellings are held by the household sector. Dwellings make up 84% of the sector’s real assets; other real estate accounts for 11%, while capital goods used for productive purposes by small businesses represent just over 1% of their assets.

Immovable property is subject to different taxes. Taxes could be distinguished as:

- **a.** Income tax that contains individual income taxation (IRPEF), corporate income taxation (IRES) and substitutes tax (“Cedolare secca”).
- **b.** Tax on property that contains IMU - municipal tax and TASI. Municipal property tax (Law No. 147 of 27 December 2013 - Paragraph 669 et seq.), with the 2020 Budget Law - Law No. 160 of 27 December 2019, TASI was repealed and the new IMU 2020 was established.
- **c.** Sales and rental taxes that contain VAT, Registration tax and stamp duty (also on real estate accounts for 11%, while capital goods used for productive purposes by small businesses represent just over 1% of their assets.

Based on the latest data published by the International Property Rights Index 2021 about data on property tax revenues as a percentage of total tax revenues, Italy has a property tax index slightly above the average of OECD countries.

<table>
<thead>
<tr>
<th>PROPERTY TAX 2015 - 2017 (Billions of Euros)</th>
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<tbody>
<tr>
<td><strong>FY 2015</strong></td>
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<tr>
<td>Income Tax</td>
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<td>8.19</td>
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<td>25.06</td>
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<td>20.57</td>
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Source: Redditi e Immobili (finance.gov.it). The difference on "Tax on Property" in 2017 was determined by the 2016 Stability Law introduced significant changes to the IMU and TASI taxes for FY 2017. One of the most relevant changes concerns the abolition of the TASI taxation of the main dwelling (“Prima Casa”).

TAX IMMOVABLE PROPERTY - INDIVIDUAL TAXATION (PF – PERSONE FISICHE)

I. **INCOME TAXATION**

In general, individuals are subject to IRPEF. Income from land and buildings (redditi fondiari) is taxed as an imputed amount based on a cadastral system. Income from the ownership of land is computed by applying schedules of estimated values established for each type and class of land in accordance with the provisions of cadastral law according to article 28 of the TUIR.

Income from buildings is computed by applying the schedule of estimated values established for each category and class or, with respect to buildings with a special or particular purpose, by direct estimate in accordance with the provisions of cadastral law according to article 37 of the TUIR.

In the case of residential properties at the disposal of the individual taxpayer and used as a secondary residence, other than the owner-occupied dwelling, the income from buildings is increased by one-third.

In the case of property rented out, the taxable base is the higher between imputed cadastral income and actual income, net of directly attributable expenses up to 5% of gross income (i.e. actual net income cannot be lower than 95% of gross income). If the property which is rented out is of a recognized cultural or historical interest, the taxable base is the higher between the imputed cadastral income and the actual income, net of directly attributable expenses up to 35% of gross income (i.e. actual net income cannot be lower than 65% of gross income). A further flat deduction of 30% of taxable income is provided for rentals of dwellings located in major cities if rents are those that have been agreed upon between the landlords’ and tenants’ associations.

Income from property rented for use as dwelling can be subject to a 21% substitute tax (“cedolare secca”) (article 3 of DL23/2011). A reduced rate of 10% applies for residential properties located in special areas with a shortage of housing or which are densely populated. The substitute tax is an optional regime, which may be chosen by the lessor instead of ordinary taxation under individual income tax at progressive rates. The taxable base for the substitute tax is the annual rent, as determined by the parties to the rental contract. The substitute tax absorbs individual income tax, registration tax and stamp duty. The option is also available to individuals concluding contracts for residential short-term rentals, i.e., rentals not exceeding 30 days, and additional services, e.g., cleaning services or Wi-Fi connection. Qualifying contracts must be entered into by individuals outside the exercise of business activity, i.e., the individual must rent out a maximum of four apartments in each tax year (article 6. Article 26 of the TUIR).
Income from immovable property is added to the taxable income of the resident owner as miscellaneous income unless the foreign immovable property is not rented and is subject to IVIE.

The tax base is calculated according to the rules of the country in which the property is located (article 70 of the TUIR). The cadastral system of taxation does not apply to immovable property located abroad.

Immovable property located abroad is not subject to IMU. However, a resident owner or person having an interest (e.g., property, usufruct, etc.) in immovable property, e.g., land, buildings and apartments, located abroad is subject to tax in Italy (imposta sul valore degli immobili situati all’estero, IVIE).

The taxable base is the value as declared in the purchase agreement or the fair market value set in the country in which the property is located. The tax rate is 0.76% (0.4% for high-value properties; 0% for owner-occupied dwellings).

In respect of immovable property located in an EEA country, the reference value for IVIE is the value used in the relevant foreign country as the taxable base for any property or transfer taxes. In the absence of these parameters, the cost of the property declared in the transfer documentation continues to form the taxable base for IVIE.

Moreover, real estate used as a principal abode is excluded from property tax. However, if the principal abode is luxury real estate (i.e., A/1, A/8 and A/9 cadastral categories), tax is applied at a rate of 0.5% and a general tax discount of EUR 200 (however, municipalities have the right to determine applicable rates in a range between 0% and 6%).

The taxable basis is subject to a reduction of 50% if the real estate property falls under the category of a site of cultural interest for (historical and/or artistic purposes). Because some legal conditions need to be met and a further analysis performed to apply this reduction, a case-by-case approach is recommended.

The taxable base for TASI is calculated concerning the area occupied by immovable property and open spaces. The municipality may assume that the taxable base is 80% of the area occupied by immovable property and open spaces according to the cadastral classification (immovable property registry).

The cadastral cartographic system is affected by project activities aimed at overcoming some criticalities arising in the historical process of map formation and in the phase of computerisation of paper cartography, as well as at completing the information contained in the maps.
the analysis, achievement and monitoring of the 17 Sustainable Development Goals (see http://www.un.org/sustainabledevelopment).

II. INHERITANCE AND GIFT TAXES

Resident individuals (deceased/donor) are taxed on a worldwide basis, i.e. for all property and rights transferred wherever located. The residence or nationality of the heir/donee is not relevant. Non-resident individuals (deceased/donor) are taxed on a territorial basis, i.e. for property and rights transferred located in Italy. The residence or nationality of the heir/donee is also not relevant, although – as to donations – it could gain some relevance according to articles 55 and 56-bis Legislative Decree n. 346/1990.

The methods of valuation of property transferred are for movable and immovable property fully owned by the deceased or the donor; the market value at the moment of death or donation, for property on which other persons have a usufruct, use or habitation right, the market value less the value of the right.

Tax rates do not depend solely on the amount received by each beneficiary or donee, but also on the proximity of the relationship between the deceased/donor and the beneficiary/donee.

In particular:

a. Transfers in favour of the spouse and direct descendants or ascendants are subject to an inheritance and gift tax applied at a rate of 4% on the value of the inheritance or the gift exceeding EUR 1 million (per beneficiary); an allowance equal to EUR 1.5 million (per beneficiary) is granted in cases where the transfer is in favour of a handicapped person.

b. Transfers in favour of brothers or sisters are subject to an inheritance and gift tax applied at a rate of 6% on the value of the inheritance or the gift exceeding EUR 100,000 (per beneficiary); an allowance equal to EUR 1.5 million (per beneficiary) is granted in cases where the transfer is in favour of a handicapped person.

c. Transfers in favour of all other relatives up to the fourth degree or relatives-in-law up to the third degree, are subject to an inheritance and gift tax applied at a rate of 6% on the entire value of the inheritance or the gift; an allowance equal to EUR 1.5 million (per beneficiary) is however granted in cases where the transfer is in favour of a handicapped person; and

d. Any other transfer is subject to an inheritance and gift tax applied at a rate of 8% on the entire value of the inheritance or the gift; an allowance equal to EUR 1.5 million (per beneficiary) is however granted in cases where the transfer is in favour of a handicapped person.

Moreover, under the provisions of L. no. 112/2016, special exemption rules apply to transfers to trust or fiduciary schemes in favour of persons with severe disabilities.

Under domestic legislation, foreign inheritance tax payable in another state about property located in that state are deductible from the Italian tax up to its amount, as computed in proportion to the value of the relevant property. No foreign tax credit is expressly provided for in a gift tax.

Under current legislation (Legislative Decree n. 346/1990), transfers of any valuable assets as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose, are subject to inheritance or gift tax at rates that depend on the proximity of relationship between the deceased/donor and the beneficiary/donee, and the value of the inheritance or gift.

The taxable event is death, in the case of inheritance tax, and the formal deed of donation, in the case of gift tax. The tax is payable by the beneficiary and the donee.

Under current legislation (Agenzia delle Entrate (Revenue Agency) – Direzione centrale servizi catastali, cartografici e di pubblicità immobiliare. Il sistema catastale, ed. 2020, data updated to December 31, 2019.)
INDIRECT TAX

I. VAT AND REGISTRATION TAX

The VAT relevance for PF is in purchasing of the property. The criterion for the qualification of property is based on the cadastral classification between residential and instrumental (see details below in “Tax Immovable Property - Corporate Taxation (PNF – Persone Non Fisiche)”), regardless of its actual use.

In the case of the purchase of a dwelling, there are reduced rates if the property meets the requirements for a first home (Prima Casa), or for buildings that meet residential conditions (Fabbricati Tupini).

Whether the VAT is applied, the register tax should be paid in a fixed amount equal to 200 EUR. Otherwise, if the purchase is out of scope or exempt on VAT purpose, the register tax should be paid in a percentage amount, equal to 2% for Prima Casa and 9% in other cases. Additionally, also the Mortgage tax and Cadastral tax should be paid in a fixed amount.

Through Legislative Decree n. 73/2021, registration tax, mortgage tax and cadastral tax are not applied for the acquisition of ownership, as well as the transfer of the bare ownership, usufruct, use and habitation of immovable as Prima Casa under certain conditions.

TAX IMMOVABLE PROPERTY - CORPORATE TAXATION (PNF – PERSONE NON FISICHE)

I. INCOME TAXATION

The corporate income tax treatment of income from real estate assets depends on the type of real estate asset.

If the real estate asset is actually and exclusively used to carry on a business activity\(^8\) (**immobili strumentali**), the income derived from the real estate asset is considered as business income. Consequently, such income is computed according to ordinary accounting rules, and is included in the company’s taxable income. Three categories of operating properties can be identified: (i) by nature, (ii) by destination, and (iii) pro tempore (as real estate granted in use to its employees for business needs).

If trading in real estate is the company’s main activity, the sale of real estate assets is treated as a sale of inventory and, therefore, gives rise to gross receipts (**immobili merce**). This refers to real estate constructed or renovated for sale by real estate construction companies or real estate (land and buildings) purchased for resale.

In the case of properties other than the first two categories, these are properties that are part of the company’s assets (**immobili patrimonio**). Income derived from other real estate assets is considered business income and it is determined according to special rules. According to these special rules, income from real estate assets is equal to the greater of (i) cadastral income or (ii) actual income (e.g., rents) reduced by relevant expenses up to a maximum of 15% of actual income (article 90 of the TUIR). If the real estate asset is situated abroad, income is determined according to the rules in force in the country in which the real estate asset is situated.

The following events may give rise to capital gains that will be included in a company’s taxable income:

a. The company disposes of a capital asset for consideration (e.g., sold).

b. The company obtains indemnity (also in the form of insurance payments) for the loss of, or damages to, a capital asset; or

c. The company assigns a capital asset to the shareholders or uses it for purposes other than business purposes (article 86 of the TUIR).

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\(^8\) or, due to its characteristics, can only be used to carry on business activity.
INDIRECT TAXATION

I. VAT AND REGISTRATION TAX

For indirect tax purposes, the criterion for qualifying property is the cadastral criterion, regardless of use.

Therefore, buildings in cadastral category A (excluding A/10) are considered residential, while those in cadastral categories B, C, D, E and A/10 are instrumental by nature.

In the case of instrumental property, transfers of real estate assets are generally subject to VAT, and they are therefore only subject to a lump sum EUR 200 registration tax.

In addition to this EUR 200 registration tax, a EUR 200 mortgage tax and EUR 200 cadastral tax also apply to the transfer. However, if the company transfers business real estate a 3% mortgage tax and 1% cadastral tax (instead of EUR 200 for each of these taxes) apply to the transfer.

In the case of supply of residential property, article 10, paragraph 1, no. 8-bis of Presidential Decree 633/1972 provides for exemption from VAT, except for sales by builders or renovators for which VAT is taxable, and the possibility of exercising the reverse charge option.

II. NON-PROFIT ENTITY (“ENTI NON COMMERCIALI”)

The concept of an association normally designates a non-profit entity. These entities are subject to IRES. Unless the association’s main purpose is carrying out a business activity, their income is computed as if the association were an individual. Income is, therefore, categorized in one of the following classes:

- Income from immovable property.
- Income from capital.
- Business income; or
- Miscellaneous income.

The income from immovable property is calculated as described above.
OTHER EUROPEAN LEGISLATION

I. FRANCE

Several real property taxes apply in France. Both owners and occupants are liable for a dwelling tax based on the rental value of the property assessed by tax authorities.

**Tax on real estate properties (IFI).** Individuals who qualify as tax residents of France on 1 January of a given year are liable to tax on their worldwide real estate properties, unless otherwise provided by a tax treaty. Non-residents of France are only liable to the tax on their real estate properties located in France.

Only non-professional real estate properties are taxable.

IFI is only due if net taxable wealth exceeds EUR 1.3 million (2020 tax year) on 1 January of that year. Rates are progressive from 0.50% after an allowance of EUR 800,000 to 1.5% for net wealth in excess of EUR 10 million.

**Capital gains tax on real estate properties.** Capital gains derived from the sale of another property (for instance, secondary residence) is tax-free if the sales price is less than EUR 15,000.

**Real estate transfer tax.** The transfer of real estate in return for payment, as well as the transfer of real estate rights in return for payment, is in principle, subject to a real estate registration tax (taxe de publicité foncière) at a rate of 5.80%. This tax is computed at fair market value of the real estate or real estate rights transferred. The tax is due by the purchaser.

The sale must be recorded in a notarized deed that the notary files with the territorially competent mortgage office (formerly the bureau des hypothèques, now called the service de la publicité foncière) along with payment of the tax.

**Inheritance, estate, and gift taxes.**

Inheritance or gift tax may be due by beneficiaries of gifts or inheritance. If the deceased or the donor is a tax resident of France, tax will be due in France on worldwide assets transmitted. If the deceased or donor is not a tax resident of France, tax will be due on worldwide assets transmitted to the donee if the donee has been a tax resident of France for at least six out of the last ten years.

Inheritance tax is levied on assets at their fair market value, with allowances, taking into account the relationship between the deceased and the beneficiary. Debts existing at the time of death are deductible in full. Inheritance tax is levied according to tax schedules that vary depending on the family relationship between the beneficiaries and the donor or deceased.

Progressive tax rates are applicable after a rebate of EUR 100,000 when beneficiaries are direct dependants.

Gift tax is subject to the same standard rules. However, there are some differences. Debts in relation to property transferred are not deductible, and this is not considered to be a taxable benefit if the donor pays the gift tax personally.

**Property tax on developed property.** As owner, usufructuary, or trustee of a building, it is necessary to pay property tax on developed property each year. This tax is established for the year according to the situation on 1 January of the tax year. If the taxpayer is an owner on 1 January, that individual must pay property tax even if the property is sold later.

**Housing tax.** Housing tax is established annually according to the taxpayer’s situation on 1 January of the tax year. This tax is collected by the municipality where the taxpayer’s home is located and is calculated on the net rental value. For eligible households, there is a decrease that amounts to 100% in 2020.

9 French Tax Authority website: [https://www.impots.gouv.fr/portal/particulier/reatrume-taxe ĐàIFI](https://www.impots.gouv.fr/portal/particulier/reatrume-taxe ĐàIFI) and Italian Tax Authority news website: [https://www.fiscooggi.it/rubrica/dal-mondo/schede-paese/articolo/francia](https://www.fiscooggi.it/rubrica/dal-mondo/schede-paese/articolo/francia)
All natural or legal entities, irrespective of nationality, residence or place of establishment, are subject to tax on real estate for their immovable property located in Greece, owned on the 1st of January of each year regardless of changes, if any, occurring during the course of the year.

**Tax rates applied on legal entities**

The ownership of real estate property/property rights in Greece is subject to the ENFIA, which consists of a principal tax imposed on each real estate property and a supplementary tax imposed on the total value of the property rights on real estate property of the taxpayer subject to tax.

The principal tax on buildings is calculated by multiplying the square metres of the building by the principal tax ranging from EUR 2 to EUR 13 per square metre and other coefficients affecting the value of the property (e.g., location, use).

The principal tax on land is calculated by multiplying the square metres of the land by the principal tax ranging from EUR 0.0037 to EUR 11.25 per square metre and other coefficients affecting the value of the property (e.g., location, use).

The supplementary tax on individuals is imposed at a progressive tax rate ranging from 0.15% to 1.15% and provides for a tax-free amount of EUR 250,000 of the total value of property rights subject to ENFIA, including the value of plots outside urban planning (agricultural plots).

**Inheritance Tax.** Pursuant to the Greek tax legislation, Inheritance Tax is assessed on the current value of the property inherited. The said property includes any kind of movable and immovable property located in Greece, regardless of the descendant’s nationality. The taxable value of real estate property inherited is the objective value (it is calculated on the basis of certain predetermined factors set by the Ministry of Finance) on the day of death of the deceased.

**Donation tax and parental grant.** Donation tax and parental grant (i.e., transfer of assets while the transferor is alive) are assessed on the current value of the property donated. Taxable property includes any kind of movable and immovable property located in Greece. In general, tax liabilities arise upon receipt of gifts and are paid by the donee. The acquisition of real estate property through donation is subject to the same tax scale as inheritance tax.

**Real estate transfer tax (Law 1587/1950).** The real estate transfer tax is calculated on the transfer sales price/value and burdens the buyer of the real estate property. The value of the real estate shall be calculated depending on the system applied in the specific location for determining the value of real estate. However, if the selling price is higher than the objective value, real estate transfer tax shall be applied on the selling price.

**Municipality Duty (called Telos Ahinitis Periousias or TAP).** According to the relevant law provisions, real estate ownership (i.e., ongoing provisions, real estate ownership (i.e., ongoing taxation - taxes imposed on the possession of Greek real estate property) is subject to a Municipality Duty. The said duty is levied and collected annually through the electricity bill in favour of municipalities and communities at a currently calculated rate ranging between 0.25% and 0.35% on the real estate’s value.

**Duty for the provision of cleaning and lighting services.** A duty in compensation for the collection of garbage and waste and for the lighting of the streets, collected by the electricity bill, is due from the user of real estate.
CONCLUSION AND FINAL REFLECTIONS

The main forms of wealth in Italy are real property and savings. While savings are subject to separate taxation, real property directly affects taxpayers’ ability to pay.

As described above, taxes on the real property reflect the wealth of the taxpayer. Indeed, in the case of gifts and inheritances, exemption thresholds have been provided for. Also, in the case of a first home (Prima Casa), there are both income tax and indirect tax benefits, such as the IMU exemption.

Despite these benefits, given the number of property units, there is significant tax pressure on those who own property. It can be considered that this pressure constitutes taxation on the property of Italian households.

In fact, in 2019, households own 81% of the value of residential assets (and 89% of real estate assets). These are residential units used as main homes or available to households as second homes (mainly holiday homes). The remaining part is composed of units owned by households primarily for investment and rental purposes which, in line with the classification criteria adopted in the national accounts, are classified as producer households’ property.

In total, property taxation in 2018 can be estimated at 40 billion euros. Income taxes (IRPEF and IRES) account for 21%, property taxes (IMU and TASI) for 49%, and transfer and lease taxes (VAT, Registry, Mortgage and Land Registry, Inheritance and Donation and stamp duty on leases) for the remaining 30%. Considering that Italy’s GDP amounts to EUR 1,787.66 billion and that real estate tax represents 2.4% of GDP, it follows that Italy already has a real property taxation in line with the European average.

Given the importance of this issue, it would also be appropriate to review the system for determining the value of these properties, and the differences between the Italian municipalities, which hold and manage the cadastral registers. Property taxation is based on notional values (cadastral rents) that are not always aligned with the current market value of real estate and land, which have been subject over the years to various “flat-rate realignments” with the application of multiplication coefficients, which are, moreover, unrelated to objective criteria.

Moreover, as can be seen from the comparison with other states close to Italy such as France and Greece, Italy is in an intermediate position, between a very afflictive system of real estate assets like the French one and a very favourable one like the Greek one. Having said that, the level of pressure has to be considered in the overall tax system of the nation. In any case, a balance of the tax system has to be taken into account, so that if on the one hand the tax burden is heavy on real estate, on the other hand it can lighten the burden on the country’s other sources of wealth.

On the basis of the above considerations, real estate taxation in Italy is the only taxation of a property nature and a particularly heavy tax for Italian taxpayers, who are commonly real estate owners. Therefore, the hypothesis of considering possible increases in the taxes outlined above or adding other forms of taxation that always burden property could be considered neither useful nor sustainable in the Italian tax system.

11. Trovati G. see Reference. Moreover, Italian data on property taxation are align to data referring OECD countries average as in the above mentioned International Property Rights Index 2021.
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