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## INHERITANCE AND GIFT TAX IN ITALY

**GIFT TAX** - The civil code defines donation as that contract by which a person, defined as the donor, divests himself of one or more property assets by transferring them to another person, defined as the donee, out of a pure spirit of liberality.

Gift tax is the tax that the beneficiary (donee) is required to pay when he receives an asset through a deed of donation.

**INHERITANCE TAX** - Succession is a legal event that occurs when one person enters into the legal positions of another..

Inheritance tax is an indirect tax to be paid to the Revenue Agency in the event of an inheritance. It must be paid when movable, immovable property, real rights or money are inherited.

### TAX RATE

- of 4%, for transfers made in favor of the spouse or relatives in a direct line (ascending and descending) to be applied on the total net value, exceeding for each beneficiary, the quota of 1 million euros;
- of 6%, for transfers in favor of brothers or sisters to be applied on the total net value, exceeding for each beneficiary, 100,000 euros;
- of 6%, for transfers in favor of other relatives up to the fourth degree, of collateral relatives up to the third degree, to be applied on the total net value transferred, without application of any deductible;
- of 8%, for transfers in favor of all other subjects to be applied on the total net value transferred, without application of any exemption.

In addition to the deductibles of 100,000 euros and 1 million euros, there is a further deductible, equal to 1.5 million euros, for transfers made in favor of disabled persons.