

# Italy: A New Tax Haven for Sportspeople?

By **Roberto M. Cagnazzo**

A recent decree has introduced significant tax benefits to sportspeople who transfer their tax residence to Italy, starting from 01 January 2020. The law provides two different regimes depending on whether the sportspeople are:

- Professionals (athletes, coaches, technical-sporting directors, and athletic trainers as defined in the law on professional sport), or
- Amateurs.

The decree requires that sportspeople:

- Have not been residing in Italy in the two years before the transfer;
- Undertake to reside in Italy for at least two years; and
- Carry out the work activity mainly in Italy.

With respect to professional sportspeople, the employment income contributes to the formation of the total income to the extent of 50% for ten years (5 + 5 years).

Regarding amateur sportspeople, the employment income contributes to the formation of the total income

to the extent of 30% for the first five years and 50% for the following five years (provided they have at least one minor child or they become owners of real estate in Italy).

In addition, if amateur sportspeople transfer their tax residence to southern Italy (Abruzzo, Molise, Campania,

Puglia, Basilicata, Calabria, Sardinia, and Sicily) the employment income contributes to the formation of the total income to the extent of 10% for ten years (5 + 5 years).

Italian sportspeople also benefit from this special regime provided they return to Italy:

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**Studio Tributario Cagnazzo** is a “boutique” firm mainly focused on providing integrated tax advice and assistance all over Italy to corporations, banks, multinational groups, and high-net-worth individuals on a wide range of domestic and international tax and corporate issues. The firm provides its domestic and international clients with specialist knowledge for strategic advice to resolve

any tax and legal issue on a local or global scale ranging from corporate tax issues to extraordinary financial transactions, such as domestic and cross-border reorganisations, IPOs, takeover bids, and M&A.

**Roberto M. Cagnazzo**, Founder and Partner, is a Chartered Accountant and Statutory Auditor with considerable expertise in domestic and international taxation acquired as head of tax in some of the leading listed Italian multinational groups and as Professor of Tax Law and International Tax Law at the University of Turin.



- From 01 January 2020, if they are resident in another state within the meaning of a double taxation agreement;
- By 31 December 2019, if they are resident in another state within the meaning of a double taxation agreement and they are addressees of tax procedures that can be challenged.

Obviously, from an economic standpoint, this is a great advantage for major professional football clubs: previously, to pay to a football player a net salary of 100 they had to bear an overall cost of 180, now the overall cost is only 130.

