Relocating to Italy or Spain?

A Comparative Guide to Italy's Impatriate Regime and Spain's Beckham Law

STUDIO VIGNOLI

BNFIX
TAX · LEGAL · AUDIT · ADVISORY

members of DFK INTERNATIONAL

Italy vs Spain – Inbound Tax Regimes

A Comparative Guide: Italy's Impatriate Regime and Spain's Beckham Law

Both **Italy** and **Spain** have enacted **preferential income-tax regimes** designed to **attract internationally mobile professionals and qualified workers**. While they share a common purpose – reducing the tax burden on inbound workers so as to stimulate talent, investment, and economic activity – they differ substantially in their **structure**, **eligibility requirements**, **benefit level**, and **practical scope**. This guide sets out the **key features** of each regime in turn and then draws a **structured comparison**.

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1. ITALY – THE IMPATRIATE REGIME

1.1 – Overview and Legislative Framework

Italy's preferential regime for inbound workers – the "***Regime degli Impatriati***" – was overhauled by Article 5 of Legislative Decree 209/2023 (the "*International Tax Reform*"), which replaced the former Article 16 of Legislative Decree 147/2015. The new rules apply to **individuals who transfer their tax residence to Italy from the 2024 tax year onward**.

1.2 – Eligibility Requirements

To qualify under the new regime, the following **conditions** must all be met:

- the worker must **not have been tax resident in Italy for at least three tax periods preceding the transfer**. Where the worker carries on activity in Italy for the **same entity** (or **group**) for which they were employed abroad, the minimum prior non-residence period is **extended to six years** (or **seven years** if the same employer/group relationship also existed prior to the worker's original departure from Italy);
- the **work activity** must be **performed in Italy for the majority of the tax year** (183 days, calculated including annual leave, public holidays and rest days);
- the worker must **commit to maintaining Italian tax residence for at least four years**. Early re-transfer abroad triggers reassessment and repayment of the foregone tax with statutory interest;
- the worker must **hold a high qualification or specialization**: a **tertiary degree** from a course of **at least three years**, or at least **five years of relevant professional experience**, or – for IT managers and specialists – a **superior qualification with three years of experience** in the preceding seven years (or, alternatively, **applied research activity in artificial intelligence technologies**, per Law 132/2025).

1.3 – Qualifying Income and Annual Cap

The regime covers **employment income**, **income assimilated to employment**, and **self-employment income from the practice of arts and professions**; **business income** is **no longer within scope** under the new legislation.

1.4 – Annual Cap, Tax Benefit and Enhanced Deduction

The standard benefit is a **50% reduction of the taxable base** on amounts **up to €600,000 per year** (not pro-rated in the year of transfer). An **enhanced reduction of 60%** applies where the worker transfers to Italy together with a **minor child**, or where a child is **born or adopted during the benefit period** – provided the child is resident in Italy throughout – and **may be claimed by both parents** simultaneously if both qualify independently.

1.5 – Duration

The regime applies for the tax year in which residence is transferred and the following four years (**five years in total**). Extension is not available under the new rules, except for an additional three-year period available – on a transitional basis – to workers who transferred registry residence in 2024 and purchased a residential property in Italy by 31 December 2023.

1.6 – Social Security Contributions

The interaction with social security contributions differs by worker category:

- for **employees**, contributions are calculated on the full gross remuneration: the income reduction operates for IRPEF purposes only, with no effect on the contribution base or pension accrual;
- for **self-employed workers enrolled with INPS** (*Gestione Separata*, or *Artigiani/Commercianti*), contributions are aligned with the IRPEF-taxable base and therefore benefit from the same 50% (or 60%) reduction, producing a dual fiscal and social-security saving – though at the cost of proportionally lower pension accrual (INPS Circular 52/2023);
- for **self-employed workers enrolled in an autonomous private pension fund**, the reduction generally does **not** apply, so contributions are presumably calculated on the full gross professional income. This should nonetheless be verified case by case with the relevant fund.

1.7 – State Aid ("De Minimis") Ceiling for Self-Employed Workers

For **self-employed workers** and **professionals** (**not employees**), the tax saving is treated as a **State aid subject to the EU "de minimis" ceiling**, pursuant to Art. 5(7) of Legislative Decree 209/2023. Since 1 January 2024 the applicable cap is €300,000 of aggregate de minimis aid over any rolling three-year period (Regulation (EU) 2023/2831). **Employees are not subject to this constraint**.

1.8 – Compatibility with Other Regimes

The Impatriate Regime **may be combined with the incentives for Researchers and University Lecturers** (Article 44, Decree-Law 78/2010), provided the income subject to each benefit is not the same.

As regards the Flat-Tax Regime for New Residents (Article 24-*bis* of the TUIR), their combination was **until recently permissible** – confirmed by the Revenue Agency in an unpublished ruling of 19 December 2025 – given the absence of any express statutory prohibition. Decree-Law 38 of 27 March 2026, converted into Law No. 88/2026, has now closed this window, **expressly prohibiting the concurrent application of the two regimes for individuals transferring tax residence to Italy from 2027 onward**. For **those transferring in 2026**, however, **the combination remains available**: foreign-source income may benefit from the Flat Tax Regime, while Italian-source employment or professional income qualifies for the Impatriate Regime's 50% (or 60%) reduction.

1.9 – Extension to Family Members

Unlike Spain's regime, the Italian Impatriate Regime has **no family-extension mechanism**: the benefit is granted on a strictly **individual basis**. Where both **spouses** relocate to Italy, **each must independently satisfy all eligibility requirements**, regardless of the other spouse's position.

1.10 – Application Procedure

Employees typically access the regime by submitting a **written self-certification to their employer**, who then applies the **reduced withholding** from the next pay period; the benefit can **also be claimed directly in the annual income tax return**, filed the following year and even a late or missed communication to the employer does not necessarily preclude recovering it via a tax refund claim. **Self-employed workers** apply the regime directly in their **income tax return**.

2. SPAIN – THE BECKHAM LAW

2.1 – Overview and Legislative Framework

Spain's special regime for inbound workers – colloquially known as the "**Beckham Law**" after the footballer who was among its first high-profile beneficiaries – is governed by Article 93 of the Personal Income Tax Act. Originally enacted in 2004, the regime was most recently expanded by the Startup Act (Law 28/2022), which extended eligibility to digital nomads, entrepreneurs, and highly qualified remote workers.

Beneficiaries are considered **Spanish tax residents for domestic purposes** but are **subject to a special tax regime with specific rules inspired by the Non-Resident Income Tax** (IRNR) **framework** (Article 93 LIRPF and Articles 113–120 of the Personal Income Tax Regulations).

2.2 – Eligibility Requirements

Individuals are eligible provided they meet the following **conditions**:

- they have **not been tax-resident in Spain at any point during the five years preceding their transfer**;
- the **transfer to Spain** is **motivated** by:
  - (i) an **employment contract with a Spanish entity** or an **assignment by a foreign employer to Spain**, including cases where the work is carried out **remotely** from Spain by **exclusively digital means** (**digital nomads**);
  - (ii) **appointment as a director of a Spanish company** – where the entity qualifies as an **asset-holding entity** within the meaning of Article 5.2 of the Spanish Corporate Income Tax Law, the director must not hold an interest that gives rise to a related-party relationship under Article 18 of that Law, generally a participation of **25% or more**. No equivalent shareholding limitation applies where the entity does not qualify as an asset-holding entity. In all cases, the relocation to Spain must occur as a consequence of the appointment as a director, either in the first year of application of the regime or in the preceding year;
  - (iii) **carrying out in Spain an activity classified as entrepreneurial**; or
  - (iv) activity as a **highly qualified professional** rendering services to qualifying Spanish start-ups, or carrying out training, research, development or innovation activities – in this case, **the remuneration derived from those qualifying activities must represent, in aggregate, more than 40% of the taxpayer's total business, professional and employment income**;
- for **employees** and **assignees**, all **employment income** and all **income from qualifying entrepreneurial activities** obtained during the application of the regime are **deemed to be Spanish-source**. However, this deeming rule does not apply to income deriving from activities carried out before the date of relocation to Spain or after the date on which the end of the relocation is formally notified to the Spanish Tax Authorities through Form 149, without prejudice to such income being taxable where it otherwise qualifies as Spanish-source income.

2.3 – Tax Treatment

Qualifying beneficiaries are subject to a **special tax regime** under Article 93 LIRPF, under which employment income and certain categories of income are taxed following IRNR rules with specific adaptations, while maintaining Spanish tax residency status.

The general personal income tax (IRPF) scale does not apply, even though they are treated as "Spanish tax residents". The key features are:

- a **flat rate of 24% applies to employment and business/professional income up to €600,000**, rising to **47% on the excess**;
- under Article 93.2.b) LIRPF, **employment income and qualifying entrepreneurial income are deemed to be Spanish-source in full**; income **other than employment income** and income **from qualifying entrepreneurial activities**, including **dividends**, **interest**, **capital gains**, **rental income** and **pensions**, is **subject to Spanish tax only where it qualifies as Spanish-source** income under the ordinary source rules of the Non-Resident Income Tax Law. Accordingly, **foreign-source investment and rental income is generally outside the Spanish tax base**. **Spanish-source dividends**, **interest** and **capital gains** falling within the categories specifically identified in Article 93.2.e) LIRPF are **taxed under the separate scale** provided by that article, currently ranging **from 19% to 30%**, rather than the 24%/47% rates; **other Spanish-source income**, such

as **rental income** or **pensions**, is **taxed under the applicable IRNR rules** and should not be described as subject to the savings-income scale;
- **no obligation to report foreign assets** via the Modelo 720 wealth-disclosure form;
- **wealth tax applies only to assets held in Spain** (territorial basis), rather than on a worldwide basis;
- **access to double-tax treaty benefits** may be **significantly limited**, as the taxpayer is treated as non-resident for certain purposes under the regime;
- **social security contributions** are **not reduced** under this regime and follow ordinary Spanish rules or applicable international coordination rules (EU regulations or bilateral agreements);
- **stock options**, **deferred bonuses** and **other equity-based or deferred compensation** require a specific analysis of the relevant grant, vesting, exercise and service periods. Where the income derives partly from activities carried out before the relocation to Spain or after the formally notified end of the relocation, an allocation may be required to determine the portion falling within the special regime.

2.3.1 – Consequences of Limited Access to Double-Tax Treaty Benefits

Individuals applying the special regime are **generally not regarded as Spanish residents for double-tax treaty purposes**, since Spain taxes them only on income treated as Spanish-source under the regime. Consequently, they **may not be able to rely on Spain's treaty residence status**, **including treaty tie-breaker provisions** or **reduced source-country withholding rates**, and the result should be assessed under the wording of the relevant treaty and the domestic law of the other jurisdiction.

Foreign-source dividends and interest are **generally outside the Spanish tax base**. However, because the individual may not qualify as a Spanish treaty resident, the **source jurisdiction** may apply its **domestic withholding rate** unless relief is available under its internal law or under another applicable treaty. Any **foreign withholding suffered** on income not taxable in Spain **will generally not give rise to a Spanish foreign-tax credit**.

A partial corrective applies to employment and qualifying entrepreneurial income: A **foreign-tax credit may be available in respect of employment income and income from qualifying entrepreneurial activities that is deemed to be Spanish-source** under the special regime, calculated in accordance with Article 80 LIRPF. The credit is subject to the ordinary Article 80 limitation and to the additional cap established in Article 114.2.b) RIRPF, equal to 30% of the portion of the total tax liability corresponding to the aggregate employment income and qualifying entrepreneurial income obtained in the tax period. The **availability** and **amount** of the credit should therefore be **assessed case by case**.

2.4 – Extension to Family Members

Following the amendments introduced by Law 28/2022, the regime may also be **extended to certain family members of the main taxpayer**, including:

- the **spouse** (or, absent a marital bond, the other parent of the taxpayer's children);
- **children under 25 years of age** (or disabled children of any age).

This extension (Art. 93.3 LIRPF) requires **relocation together** with the main taxpayer or, at the latest, **before the end of their first tax period** under the regime, and **requires the sum of the family members' taxable bases to be lower than the main taxpayer's**.

2.5 – Duration

The regime applies for the year of transfer and the following five years, for a **total of six fiscal years**. At the end of this period, the beneficiary reverts to the standard IRPF rules on a worldwide-income basis.

Beneficiaries **may waive the regime** in November or December of the year preceding the one in which the waiver is to take effect (Article 117 RIRPF), or may be excluded from it for failing to meet the applicable conditions, in which case standard IRPF rules apply from the tax period in which the waiver or exclusion takes effect. **Once waived or excluded**, however, **the taxpayer may not opt into the regime again**.

2.6 – Application Procedure

Beneficiaries **must file Modelo 149 within six months of registering with the Spanish Social Security system** or, where applicable, **within six months of commencing activity**. This deadline is **strictly enforced**, and **failure to comply generally results in the loss of the right** to apply the regime, **without the possibility of subsequent rectification**.

3. Comparative Analysis

Despite their shared objective of attracting internationally mobile talent, the two regimes reflect different underlying philosophies and each offers distinct advantages depending on the taxpayer's profile.

1. **Tax Reduction Mechanism**. Italy operates through a partial income exclusion – 50% (or 60% with a minor child) of qualifying income is excluded from the taxable base, with the remainder taxed at ordinary progressive IRPEF rates (up to 43%). Spain applies a flat 24% rate to qualifying employment and business/professional income up to €600,000, rising to 47% above that threshold (investment income such as dividends, interest, and capital gains instead follows Spain's ordinary savings-income scale). In practice, Italy's mechanism tends to produce a lower effective tax rate than Spain's flat 24% across most income levels, since only half (or 40%) of the income is taxed at all.

2. **Breadth of Eligible Income**. Italy's regime excludes business income of individual entrepreneurs, while Spain's regime extends to entrepreneurial activity, innovation-related work, and digital nomadism, making the Spanish regime broader in eligible income categories. Italy compensates in part through its enhanced 60% reduction for workers relocating with (or having) minor children – a family-oriented benefit with no direct equivalent in the Spanish flat-rate structure, and through the possibility of combining the regime with the Researchers and University Lecturers incentive (Article 44, Decree-Law 78/2010) for qualifying academic profiles.

3. **Treatment of Foreign Income**. Italy's benefit applies only to Italian-source qualifying income; foreign income is taxed on ordinary worldwide-income terms once Italian residence is established, though a separate Flat-Tax Regime for New Residents (Article 24-bis TUIR) allows a flat substitute tax of €300,000/year on foreign-source income. Spain's regime, by contrast, generally keeps foreign-source income outside the Spanish tax base entirely during the six-year benefit period.

4. **Access to Double-Tax Treaty Benefits**. Beneficiaries of the Italian Impatriate Regime remain ordinary Italian tax residents in every respect, including for treaty purposes, and can obtain the standard Italian tax residency certificate to access double-tax treaty benefits on foreign income without any regime-specific restriction. Spain's Beckham Law beneficiaries, by contrast, are generally not considered residents for treaty purposes under the regime, which can significantly limit access to treaty-reduced withholding rates and expose taxpayers to dual-residence conflicts.

5. **Administrative Access**. In Italy, employees typically access the regime by submitting a written self-certification to their employer, who then applies the reduced withholding from the next pay period; the benefit can also be claimed directly in the annual income tax return, and even a late or missed communication to the employer does not necessarily preclude recovering it via a tax refund claim. Spain imposes a strict six-month deadline for filing Modelo 149 from the start of employment; missing this deadline typically results in permanent loss of the benefit, creating a meaningful procedural risk that does not exist under the Italian regime. Once obtained, the Spanish regime may later be waived, but a taxpayer who waives or is excluded from it may not opt into it again.

4. SUMMARY COMPARISON TABLE

Criterion	Italy – Impatriate Regime	Spain – Beckham Law
Legal Basis	Article 5, Legislative Decree 209/2023	Article 93 LIRPF
Prior Non-Residence Requirement	3 years (extended to 6-7 years if returning to the same Employer/Group)	5 years (reduced from 10 years by the 2023 reform)
Commitment to Remain	4 years (forfeiture + recovery of tax with interest if not met)	Not an explicit separate condition; benefit ceases if regime conditions lapse
Eligible Income Types	Employment income, assimilated employment income, and professional self-employment (arts & professions); business income excluded	Employment/assignment, director appointment, entrepreneurial activity, and highly qualified professional/start-up work (40% income test); digital nomad work included
Annual Income Cap for Benefit	€600,000	€600,000
Tax Reduction Mechanism	50% taxable-base exclusion (standard); 60% exclusion with a minor child; remainder taxed at ordinary progressive IRPEF rates (up to 43%)	Flat 24% rate on qualifying income up to €600,000; 47% on the excess
Treatment of Foreign Income	Taxed under ordinary worldwide-income rules; a separate Flat-Tax Regime for New Residents (Art. 24-bis TUIR) allows a flat €300,000/year substitute tax on foreign income	Employment and qualifying entrepreneurial income deemed Spanish-source in full; other income taxed only if Spanish-source under ordinary IRNR rules
Duration	5 years (year of transfer + 4)	6 years (year of transfer + 5)
Social Security Contributions	Employees: full gross salary. Self-employed enrolled with INPS (Gestione Separata, Artigiani/Commercianti): reduction applies. Self-employed enrolled in an autonomous private pension fund: reduction generally does not apply (to be verified case by case)	Calculated on full gross salary; no reduction, subject to ordinary domestic or EU/bilateral coordination rules
Extension to Family Members	No equivalent mechanism; benefit is strictly individual	Yes – spouse (or, absent marriage, the other parent of the children) and children under 25 (or disabled, any age); joint relocation timing and combined-income cap apply (Art. 93.3 LIRPF)
Application Procedure	Self-certification to employer (withholding applied from next pay period) or claimed directly in the annual tax return, filed the following year; a late/missed employer communication does not necessarily forfeit the benefit (refund claim remains available)	Modelo 149 within 6 months of Social Security registration or start of activity; strict deadline, no rectification if missed. Regime may later be waived (Art. 117 RIRPF), but cannot be re-elected once waived or excluded
Access to Double-Tax Treaty Benefits	Beneficiaries remain ordinary Italian tax residents; treaty access not restricted by the regime itself	Beneficiaries are generally not considered residents for treaty purposes under the regime; a partial credit (capped at 30%) applies to employment/entrepreneurial income only
State Aid / De Minimis Constraint	Self-employed only: €300,000 cap over rolling 3 years (Reg. EU 2023/2831; Art. 5(7) D.Lgs. 209/2023)	No specific de minimis ceiling is established under Article 93 LIRPF for individuals applying the Spanish special regime.
Foreign Asset-Disclosure Obligation	Standard reporting rules apply (Quadro RW)	Modelo 720 filing not required during the benefit period
Combination with Other Regimes	Combinable with Art. 24-bis TUIR only for residence transfers by end of 2026 (barred from 2027, D.L. 38/2026 conv. Law 88/2026); combinable with Researchers/Lecturers incentive (Art. 44, DL 78/2010)	No equivalent optional regime to combine with

Contact Us

Italy - STUDIO VIGNOLI

Address

Via San Gallo 123, 50129 Florence, Italy

Email

info@studiovignoli.com

Telephone

(+39) 055 4627414

Website

https://www.studiovignoli.com/en/

Spain - BNFIX Global

Address

Calle Martín de los Heros 59, 28008 Madrid, Spain

Email

info@bnfix.com

Telephone

(+34) 93 301 20 22

Website

https://www.bnfix.com/en/

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