



BALDESSARELLI & PARTNER

Dr. Marco Baldessarelli
Dr. Luca Bertelli
Dr. Chaowei Dai
Dr. Spasoje Vockic
Dr. Nina Bertolini

Merano, 23rd of October 2025

News in the area of tax law

Ladies and Gentlemen

With this newsletter we would like to inform you about the following news:

Table of contents

1. Relocation Tax Regime and AI	2
2. New Clarifications on the "First Home" Tax Benefit	2
3. Budget Law 2026: Short-Term Rentals	2

1. Relocation Tax Regime and AI

The existing tax incentive scheme for professionals returning to Italy is being expanded. In the future, individuals who have conducted research — including applied research — in the field of Artificial Intelligence will also benefit from a 50% tax exemption on income earned in Italy, up to Euro 600,000.- per year. Further implementation details will be defined through administrative guidelines.

2. New Clarifications on the “First Home” Tax Benefit

The Italian Supreme Court (Corte di Cassazione) has clarified that the “first home” tax benefit (agevolazione prima casa) remains valid even if the owner transfers the usufruct (right of use) within five years, while retaining bare ownership (nuda proprietà).

Furthermore, the benefit also applies when two adjacent properties are purchased and merged into a single housing unit within three years, even if the cadastral merger has not yet been completed.

3. Budget Law 2026: Short-Term Rentals

Under the 2026 Budget Law, the flat tax rate on short-term rentals will increase from 21% to 26%, effectively eliminating the previous tax benefit for owners renting out only one property. In practical terms, this means an additional annual cost of around Euro 1,300 for an average apartment per year. As a result, landlords’ net profit will decrease from approximately 34% to 28%.

Please do not hesitate to contact us for further information.

Yours sincerely

Dr. Spasoje Vockic

spasoje.vockic@fiscalconsulent.com