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ITALY CHAPTER

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1 Connection Factors

1.1 To what extent is domicile or habitual residence relevant in determining liability to taxation in your jurisdiction?

An individual is liable to Italian taxation if he/she is deemed to be tax resident in Italy or if he/she generated Italian sourced income. The tax residence is based on both domicile and habitual residence. In particular, according to the article 2 of the Italian Tax Code (TUIR), an individual is deemed to be Italian tax resident if he/she meets at least one of the following conditions: (i) the individual is enrolled in the Register of Resident Population (*Anagrafe della Popolazione Italiana*) for the major part of the tax year; (ii) the individual has his/her “residence” in Italy as defined by the Italian Civil Code for the major part of the tax year; or (iii) the individual has his/her “domicile” in Italy, as defined by the Italian Civil Code for the major part of the tax year. As a consequence, he/she is liable to taxation on his/her worldwide sourced income.

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