

## **The Notary**

Every official act in Italy like buying a house or creating a company must be done in front of Notary.

The Notary:

1. Testifies as to the identity of the purchaser and vendor
2. Represents the Italian State
3. Guarantees the property is actually located at the stated address and the free from legal and fiscal.

Signing before the notary is equivalent to signing in front of a representative of the Italian State: He/She certifies the identities of the purchasers, vendors and the item being traded.

The Notary's fee is payable on signing the final title documents. This fee is paid by the purchaser alone.

For the Golfo Gabella's apartments the notary fee for the final title documents (with all taxes) is € 2.600,00\* without mortgage. The notary fee for the mortgage depends of the house's price.

## **VAT (in Italian called "IVA")**

The rate of VAT is 10%. It is payable after the deposit on the purchasing price.

Example

Purchasing price: € 100.000,00 + VAT

Payment:

- a) € 3.000,00 (3% deposit)
  - b) € 27.000,00 ( 27% at the exchange)
- € 30.000,00 (deposit + exchange) = € 22.000,00
- c) € 70.000,00 + 10% VAT (balance) + 10% VAT on € 30.000,00 (deposit + exchange)
- Total costs (Incl. VAT) = € 110.000,00

Although the rate may differ, VAT is payable to the Italian State on all purchases.

Example

4%: if you are resident and a first time buyer

10%: if you are not resident or if you are a resident purchasing your second property

20%: on other goods e.g. cars, services. etc...

The VAT must be paid to vendor.

## **Land registry**

The Registry of land (in Italian called "Iscrizione al catasto") is carried out by the Notary; the registry of land's cost is circa € 200,00

## **Mortgage set up cost**

An additional arrangement fee is charged if you utilise an Italian mortgage for set up costs.

\*subject to tax variation levied by the government.

## ANNUAL COSTS

### ICI TAX ( Imposta Comunale sull'Immobilabile)

This tax is payable in two stages – December and June – for each year. The amount payable differs from municipality to municipality; in Maccagno the rate applicable is 0,7% of the fiscal value of the property.

The fiscal value of the property is defined by the city administration once the building is completed and registered.

This Tax was introduced in 1993 and is applicable to everybody who owns a real estate property in Italy.

### TARSU TAX (Tassa smaltimento rifiuti solidi urbani)

Also called "junk tax", this is payable annually. The amount payable differs from municipality to municipality; in Maccagno the rate applicable is € 1,08/sq.m

### ACCOUNTANT FEE

An Italian accountant is necessary. He/She will organise the payment of income tax, the ICI and the junk taxes. An indicative cost is circa € 150,00 per annum.

The annual costs all inclusive without taxes is approximately less than € 2,00/sq.m for each month.

## ITALIAN INCOME TAX RATES

INCOME	RATE	AMOUNT
€ 0 TO € 15.000,00	23%	23% on (income -15% deduction)
€ 15.001,00 TO € 28.000,00	27%	on the increment
€ 28.001,00 TO € 55.000,00	38%	on the increment
€ 55.001,00 TO € 75.000,00	41%	on the increment
Over € 75.000,00	43%	on the increment

### Example 1:

If I as a non Italian resident achieve a rental income of € 10.000,00/p.a. I pay taxes on € 8.500,00 ( Income - 15% deduction)

So I pay 23% of € 8.500,00 = € 1.955,00

Total taxes= € 1.955,00

### Example 2:

If I as a non Italian resident achieve a rental income of € 40.000,00/p.a. I pay taxes on € 34.000,00 ( Income - 15% deduction)

So I pay:

23% of € 15.000,00 = € 3.450,00

27% of € 13.000,00 = € 2.640,00

38% of € 6.000 = € 2.280,00

Total Tax = € 8.370,00

## **DOCUMENTS REQUIRED FOR PURCHASING**

In order to purchase property the following is required:

- a) valid proof of identity
- b) a fiscal code, which we will arrange for all purchasers. This document is necessary as it allows you to purchase properties in Italy
- c) a document that certifies your UK address.

## **DOCUMENTS REQUIRED BY BANK FOR MORTGAGE AND ACCOUNT**

### Company employees

- a) an employer's salary declaration
- b) last two consecutive payslips
- c) copy of the most recent income tax form (P60)
- d) last three consecutive bank statements (where the main salary is paid).

### Self-employed applicants

- a) a yearly trading accounts/ financial statements accounts
- b) last six consecutive bank statements (personal and company)
- c) copy of the most recent Inland Revenue Statement or P60.